

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 119 - SB 159

February 26, 2017

SUMMARY OF BILL: Removes certain exemptions from governance of certain utilities and authorities by the Utility Management Review Board (UMRB) and the Water and Wastewater Financing Board (WWFB) within the Comptroller of the Treasury (COT). Authorizes utilities providing natural gas to sell natural gas appliances and heating systems to its customers.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – Due to multiple unknown factors, a precise impact to local government cannot reasonably be determined; however any impact to local government is considered permissive. Any impact to state government is not significant.

Assumptions:

- The proposed language would place previously exempted utilities under the purview of the UMRB and WWFB for operations such as customer rate reviews, providing of uniform accounting manuals, and promulgation of rules and regulations of audits.
- Based on information provided by the COT, no additional staff will be required; therefore, any increase to state expenditures is considered not significant.
- Previously exempted utilities will now have certain powers which were granted to other utilities such as compensation of board members, establish rules, regulations and bylaws.
- Natural gas utilities are authorized to sell natural gas appliances and heating systems to their customers and provide financing incentive plans for payments for such appliances.
- According to information provided by the Tennessee Association of Utility Districts, the proposed language is codifying the current practice of natural gas utilities.
- Due to multiple unknown factors such as how many previously exempted utilities will opt to pay board members and the extent of any compensation, a precise impact to local government cannot reasonably be determined; however any impact is considered permissive.

IMPACT TO COMMERCE:

NOT SIGNIFICANT

Assumption:

- The proposed language is applicable to public utilities and codifying current practice by utilities providing natural gas; therefore, any impact to commerce or jobs within Tennessee is considered not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/jrh